

STATE OF ILLINOIS
BEFORE THE COMMERCE COMMISSION

In the Matter of the Application of
North County Communications Corporation for a
Certificate of Local Exchange Authority to
Operate as a Reseller and Facilities-based Provider
of Telecommunications Services in
the State of Illinois.

Docket No: 00-0818

PREFILED TESTIMONY OF TODD LESSER
ON BEHALF OF
NORTH COUNTY COMMUNICATIONS CORPORATION

JANUARY 3, 2001

OFFICIAL FILE

I.C.C. DOCKET NO. 00-0818

Exhibit No. A

Witness _____

Date 3/2/201 Recorder _____

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**I.
INTRODUCTION**

1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

My name is Todd Lesser. My business address is 3802 Rosccrans, Suite 485, San Diego, CA 92110.

2. WHAT IS YOUR POSITION WITH NORTH COUNTY COMMUNICATIONS CORPORATION?

I am the President of North County Communications Corporation. ("North County"). In this capacity, I am authorized to file and support North County's Application, and to make a commitment on behalf of North County to adhere to all State laws in Illinois and to this Commission's policies, rules, and orders.

3. PLEASE DESCRIBE YOUR BUSINESS EXPERIENCE AND BACKGROUND.

I have been involved in the telecommunications industry for over fifteen (15) years. I worked at Comtel Communications, an interconnection telephone company. Under my leadership, North County became an FCC licensed long distance carrier that offers originating facilities-based service in over twenty (20) cities in the US. These markets include: San Diego, California, San Jose, San Francisco, Phoenix, Tucson, Salt Lake City, Reno, Las Vegas, Chicago, Gary Indiana, Indianapolis, Cleveland, Cincinnati, New York City, Newark, Northern New Jersey and Philadelphia.

I am qualified to install and maintain Excol, Northern Telecom, and AT&T switches.

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II.
PURPOSE AND SUMMARY

4. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

I submit this testimony on behalf of North County to demonstrate that North County's application for a license to provide resold and facilities-based local exchange service meets appropriate regulatory criteria and is in the public interest. I will also detail the services that North County proposes to offer in Illinois.

5. PLEASE SUMMARIZE THE MAIN POINTS OF YOUR TESTIMONY.

My testimony will address several major points.

- a description of North County's application for a license to provide local exchange services.
- a description of North County's managerial and technical qualifications.
- a description of North County's financial qualifications.
- a description of the specific services North County proposes to offer in the State of Illinois.
- a demonstration that North County's proposed local exchange services are consistent with the public interest.

6. PLEASE DESCRIBE THE AUTHORITY THAT NORTH COUNTY SEEKS FROM THE COMMISSION.

North County seeks a license to provide resold and facilities-based local exchange service in the State of Illinois.

7. PLEASE DESCRIBE THE CORPORATE STRUCTURE OF NORTH COUNTY.

North County was incorporated in the State of Delaware on September 26, 1990. North County is certified to do business as a foreign corporation in the State of Illinois. A copy of North County's authorization is attached hereto as Exhibit 1.

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III.
FINANCIAL QUALIFICATIONS

8. PLEASE DESCRIBE NORTH COUNTY'S FINANCIAL QUALIFICATIONS.

North County is financially qualified to render the proposed service. In demonstration of its financial qualifications, the Company's balance sheet is attached hereto as Exhibit 2. This balance sheet demonstrates that North County has the financing and working capital necessary to fulfill any obligations it may undertake with respect to the operation and maintenance of its network. North County's financial condition provides it with adequate financial resources to serve its customers consistent with the rules of the Illinois Commerce Commission.

IV.
MANAGERIAL AND TECHNICAL QUALIFICATIONS

9. PLEASE OUTLINE NORTH COUNTY'S MANAGERIAL AND TECHNICAL QUALIFICATIONS.

North County has the technical and managerial resources necessary to provide customers in the State of Illinois with high-quality local exchange telecommunications services. North County also has the financial ability to provide the services contemplated herein. North County's management possesses extensive management and technical experience in the telecommunications industry. A list of the Officers and Directors of North County, together with their managerial qualifications is attached hereto as Exhibit 3.

10. PLEASE DESCRIBE NORTH COUNTY'S CURRENT LICENSES.

North County has received resold and facilities-based local exchange telecommunications authorization in the states of Arizona, California, Oregon and Washington. North County is in the process of petitioning a number of the remaining states of the Union for resold and facilities-based local exchange telecommunications authority. In no instance has an application been denied or rejected.

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V.
NORTH COUNTY'S PROPOSED SERVICES

11. PLEASE DESCRIBE THE TYPES OF SERVICES THAT NORTH COUNTY WILL OFFER IN ILLINOIS.

North County seeks authorization to provide resold and facilities-based competitive local exchange carrier services within all of the service areas of Illinois Bell. Although North County does not intend to offer services in the rural areas, to the extent any incumbent local exchange carrier ("ILEC") or competitive local exchange carrier ("CLEC") in Illinois is granted a small or rural carrier exemption pursuant to §251 (f) of the Federal Telecommunications Act of 1996 in the future, then North County will seek authority to operate in such service area(s) as well.

Initially, North County intends to provide competitive local exchange services to Illinois consumers in Illinois Bell territories utilizing its Nortel DMS-100 switch. North County's services will utilize this switch and any other facilities-based or resold network elements that it may determine are necessary or economically prudent in furtherance of its telecommunications business. North County may supplement this service with other resold services provided by ILECs, CLECs, and/or interexchange carriers. Where economically prudent, North County may also install additional facilities where warranted by demand. North County's services will be available on a full-time basis, twenty-four hours a day, seven days a week.

North County initially plans to offer local exchange services to business and residential customers located in Illinois. Exchange services include, but will not be limited to the following:

- 
1. A basic local exchange service option for residential customers;
 2. IntraNPA (intra area code) directory assistance service, free telephone directories with one free listing (white pages), and free 900 prefix call blocking;
 3. Services for the Hearing Impaired;
 4. Lifeline Services;
 5. Emergency or 911 service;
 6. North County will offer interLATA equal access at the same time it begins to offer its basic local exchange service;
 7. Local exchange access services to single line and multi-line customers (including basic business and residential lines, direct inward/outward PRX trunk service, Centrex services and ISDN); and
 8. Switched and special carrier access services to other common carriers on an equal basis.

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North County will, through interconnection with other carriers, offer 911 and enhanced 911 emergency service, directory assistance and operator assisted dialing, dual party relay services and other miscellaneous services currently provided by existing local exchange carriers.

North County services will be available on a full-time basis, twenty-four hours a day, seven days a week. Customer Service support will also be available twenty-four hours a day, seven days a week by calling (800) 845-3986.

12. WHAT FACILITIES WILL NORTH COUNTY USE TO PROVIDE ITS PROPOSED LOCAL EXCHANGE SERVICES?

North County will offer services to its subscribers through the resale of other carriers' facilities and network elements in conjunction with its own network elements and its Nortel DMS-100 switch. This switch will provide both tandem and end office functions. North County will also construct its own additional facilities, where warranted, the selection of which will be based upon North County's analysis of facility cost, suitability and quality of service. At the present time, North County plans to deploy facilities-based local telephone service through the deployment of a Nortel DMS 100 switch.

All facilities, other than North County's switch, to be used in connection with the provisioning of the proposed services are those of the State's ILEC and, as such, are already constructed and in operation in accordance with any necessary federal and State authorizations.

13. WHAT GEOGRAPHIC AREAS WILL NORTH COUNTY SERVE?

North County seeks certification to provide local exchange telecommunications services throughout the State of Illinois. North County intends to begin service as soon as an interconnection agreement is reached. North County intends to serve business and residential areas served by Illinois Bell.

14. WILL NORTH COUNTY OFFER SERVICE TO ALL CONSUMERS WITHIN ITS SERVICE AREA?

Yes. North County will serve any customer(s) upon request, provided that the service request falls within the terms of North County's tariff for end user services. North County will provide service indiscriminately to all customers, business and residential.

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15. HOW WILL NORTH COUNTY ESTABLISH ITS CALLING AREAS?

North County intends to provide service to customers in the territory serviced by Illinois Bell. North County's local calling areas will be the same as the local calling areas of Illinois Bell.

16. WILL NORTH COUNTY'S TARIFFS CONTAIN ALL OF ITS RATES AND CHARGES AS REQUIRED FOR INTRASTATE TELEPHONE SERVICES?

Yes. All rate elements will be set forth in a readily ascertainable form. North County's tariffs will list specific rate levels for each service and service element, and will otherwise comply with the Commission's Rules. North County's proposed tariff, containing its proposed rates, terms, and conditions of service, is attached hereto as Exhibit 4. Please note that, with respect to the illustrative tariff, many details of North County's provision of local exchange services, including the rates to be charged to North County's customers, will be dependent upon the negotiation of interconnection agreements with the ILECs. Upon issuance of a certificate to provide local services, and prior to commencing service provision, North County will file an end use local exchange and access tariff that complies with all Commission rules and regulations.

17. WILL NORTH COUNTY PROVIDE OTHER SERVICES OR SERVICE OPTIONS?

Yes. In accordance with Illinois law and earlier Commission decisions, North County will offer the following additional services and service options:

1. A basic local exchange service option for residential customers;
2. IntraNPA (intra area code) directory assistance service, free telephone directories with one free listing (white pages), and free 900 prefix call blocking;
3. Services for the Hearing impaired;
4. Lifeline Services;
5. Emergency or 911 service;
6. North County will offer interLATA equal access at the same time it begins to offer its basic local exchange service;

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7. Local exchange access services to single-line and multi-line customers (including basic business and residential lines, direct inward/outward PBX trunk service, Centrex services and ISDN); and

8. Switched and special carrier access services to other common carriers on an equal basis.

18. WILL NORTH COUNTY COMPLY WITH ALL ILLINOIS REGULATORY REQUIREMENTS?

Yes.

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VI.
PUBLIC INTEREST CONSIDERATIONS

19. PLEASE DESCRIBE THE PUBLIC INTEREST BENEFITS ASSOCIATED WITH NORTH COUNTY'S PROPOSED OFFERING OF TELECOMMUNICATIONS SERVICES IN ILLINOIS.

North County proposes to provide various voice and data communications services offered by communications common carriers and to package and provide these services for the specialized functions and needs of its customers. In particular, services will be acquired from underlying communications common carriers at bulk rates and will be resold to Applicant's customers, so that customers will benefit from reduced pricing. In addition, North County will interconnect with the networks of ILECs. The experienced management, technical and operations expertise of the North County team will enable North County to begin offering competitive high quality service immediately upon the grant of the authority requested herein.

North County's proposed services will provide multiple public benefits by increasing the efficiency of incumbent LECs by providing users of telecommunications services with greater reliability, and by increasing the competitive choices available to users in the State. Enhanced competition in telecommunications services likely will further stimulate economic development in the State of Illinois. In addition, increased competition will create incentives for lower prices, more innovative services, and more responsive customer service.

Furthermore, the grant of a certificate will not adversely affect the incumbent ILECs' service. As has been the case with other competitive initiatives in the State of Illinois, a grant of the requested authority will have minimal impact on the State's ILECs. In fact, incumbent providers have benefitted from market incentives to improve the efficiency of their operations and from increased usage of their services due to expansion of the total market spurred by competition and lower prices. Local exchange services competition also will stimulate the demand for the services supplied by all local service carriers, including those of the ILECs. The incumbent providers will have market incentives to improve the efficiency of their operations, and they will benefit from the increased use of their services, due to the expansion of the total market and by their competitively driven prices.

Further, as demonstrated above, the grant of this authority will provide significant benefits to consumers in terms of carrier choice, price, increased reliability, responsiveness and the introduction of new services. Additionally, as competition has driven telecommunications prices downward, businesses have seen concomitant

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reductions in their operating costs and increases in their sales, which have contributed toward the viability of the economy and employment levels as a whole.

VII.

STANDARD TESTIMONY/CROSS QUESTIONS

- 20. PLEASE PROVIDE THE NAME, ADDRESS, TELEPHONE, AND FAX NUMBER OF THE PERSON AT YOUR COMPANY THAT WILL BE RESPONSIBLE FOR WORKING WITH THE COMMISSION'S CONSUMER SERVICES DIVISION FOR COMPLAINT RESOLUTION?**

Name: Mr. Todd Lesser
North County Communications Corporation
Address: 3802 Rosacrans, Suite 485
San Diego, CA 92110
Telephone: (619) 364-4750
Facsimile: (619) 364-4777

- 21. IS YOUR COMPANY SEEKING ANY WAIVERS OR VARIANCES OF CERTAIN COMMISSION RULES AND REGULATIONS IN THIS PROCEEDING THAT PERTAIN TO LOCAL EXCHANGE SERVICE? PLEASE PROVIDE EVIDENCE AS TO WHY YOUR COMPANY IS SEEKING ANY WAIVER OR VARIANCE.**

Yes. North County Communications Corporation has requested waivers or variances for Commission Rules Part 710 and Part 735.180. North County Communications Corporation will maintain its records in accordance to Generally Accepted Accounting Principles (GAAP). North County Communications Corporation will not issue directories itself, directories will be issued by Illinois Bell pursuant to contract. The request for a waiver of Parts 710 and 735.180 of the Commission Rules is in the public interest. No party will be injured by the granting of the waiver. Commission Rules Parts 710 and 735.180 are not statutorily mandated. It would be unnecessarily burdensome for North County Communications Corporation to have to comply with these rules.

- 22. WILL YOUR COMPANY COMPLY WITH 83 ILLINOIS ADMINISTRATIVE CODE PART 772, PAY-PER-CALL SERVICES, INCLUDING PART 772.55(A)(1), BILLING AND PART 772.100(D) NOTICES?**

Yes.

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- 23. WILL YOUR COMPANY COMPLY WITH 83 ILLINOIS ADMINISTRATIVE CODE PART 705, PRESERVATION OF RECORDS OF TELEPHONE UTILITIES?**

Yes.

- 24. WILL YOUR COMPANY ABIDE BY 83 ILLINOIS ADMINISTRATIVE CODE PART 735, "PROCEDURES GOVERNING THE ESTABLISHMENT OF CREDIT, BILLING, DEPOSITS, TERMINATION OF SERVICE AND ISSUANCE OF TELEPHONE DIRECTORIES FOR LOCAL EXCHANGE TELECOMMUNICATIONS CARRIERS IN THE STATE OF ILLINOIS"?**

North County Communications Corporation will abide by Title 83, Chapter I: Illinois Commerce Commission Subchapter I: Telephone Utilities Part 735, "Procedures Governing the Establishment of Credit, Billing, Deposits, Termination of Service and Issuance of Telephone Directories for Local Exchange Telecommunications carriers in the State of Illinois."

- 25. WHO WILL PROVIDE CUSTOMER REPAIR SERVICE FOR YOUR COMPANY?**

Service, billing and repair complaints will be handled by North County Communications Corporation's Customer Service Department, available 24 hours a day, seven days a week. North County Communications Corporation's Customer Service Department can be reached by calling (800) 845-3986. On-site service and repair will be handled by the personnel of underlying carriers, pursuant to contract.

- 26. HOW MANY PEOPLE DOES THE COMPANY EMPLOY?**

North County Communications Corporation has five (5) employees.

- 27. WILL YOUR COMPANY MEET THE REQUIREMENTS AS THEY PERTAIN TO THE TELEPHONE ASSISTANCE PROGRAMS IMPOSED BY SECTIONS 13.301 AND 13.301.1 OF THE ILLINOIS PUBLIC UTILITIES ACT AND 83 ILLINOIS ADMINISTRATIVE CODE PART 757?**

Yes.

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- 28. WILL YOUR COMPANY SOLICIT, COLLECT, AND REMIT THE VOLUNTARY CONTRIBUTIONS FROM ITS TELEPHONE SUBSCRIBERS TO SUPPORT THE TELEPHONE ASSISTANCE PROGRAMS?**

Yes.

- 29. DOES YOUR COMPANY PLAN ON FILING TO BECOME AN ELIGIBLE TELECOMMUNICATIONS CARRIER?**

No.

- 30. DOES THE COMPANY REALIZE THAT IT WILL NOT BE ABLE TO RECEIVE ANY OF THE FEDERAL REIMBURSEMENTS FOR THE LIFELINE AND LINK UP PROGRAMS IF IT IS NOT AN ELIGIBLE CARRIER?**

North County Communications Corporation understands that it will not be able to receive any of the federal reimbursements for the Lifeline and Link Up programs if it is not an eligible carrier.

- 31. WILL YOUR COMPANY OFFER ALL OF THE WAIVERS ASSOCIATED WITH THE UNIVERSAL TELEPHONE SERVICE ASSISTANCE PROGRAMS (UTSAP)?**

Yes.

- 32. WILL YOUR COMPANY ABIDE BY THE REGULATIONS AS PRESCRIBED IN 83 ILLINOIS ADMINISTRATIVE CODE PART 755, "TELECOMMUNICATIONS ACCESS FOR PERSONS WITH DISABILITIES," 83 ILLINOIS ADMINISTRATIVE CODE PART 756 "TELECOMMUNICATIONS RELAY SERVICE," AND SECTIONS 13-703 OF THE ILLINOIS PUBLIC UTILITIES ACT?**

Yes.

- 33. WILL THE COMPANY'S BILLING SYSTEM BE ABLE TO DISTINGUISH BETWEEN RESALE AND FACILITIES BASED SERVICE FOR THE COLLECTION OF THE ITAC LINE CHARGE?**

Yes.

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- 34. HAS YOUR COMPANY SIGNED AND RETURN THE UNIVERSAL TELEPHONE ASSISTANCE CORPORATION ("UTAC") AND THE ILLINOIS TELECOMMUNICATIONS ACCESS CORPORATION ("ITAC") TO COMMISSION STAFF?**

Executed Universal Telephone Assistance Corporation ("UTAC") and Illinois Telecommunications Access Corporation ("ITAC") forms are attached hereto as Exhibit 5.

- 35. PLEASE DESCRIBE YOUR COMPANY'S INTERNAL PROCESS FOR COMPLAINT RESOLUTION, THE ESCALATION PROCESS WITHIN YOUR COMPANY, AND WHEN A CUSTOMER IS NOTIFIED THAT THEY MAY CONTACT THE ILLINOIS COMMERCE COMMISSION FOR ASSISTANCE.**

North County Communications Corporation understands the importance of effective customer service for local exchange service consumers.

All customer service related communications from subscribers will initially go to North County Communications Corporation's Customer Service Department for support. Subscribers may contact North County Communications Corporation Customer Service Department by calling the Company at its toll-free customer service number (800) 845-3986.

Subscriber billing questions will be forwarded to a North County Communications Corporation Customer Service Representative with on-line access to billing information. The Customer Service Representative will have the authority to investigate subscriber billing issues and/or questions and make associated limited balance adjustments. If the subscriber is not satisfied with the response from the Customer Service Representative, at the subscriber's request, the call will be handed off to an accounting supervisor for resolution. The subscriber's account will be appropriately debited or credited based upon the outcome of this transaction. If the subscriber remains unsatisfied after speaking with the account supervisor, customers may contact the Company in writing at the headquarters address listed below. The toll-free number will be printed on the customers' monthly billing statements. North County Communications Corporation services will be available on a full-time basis, 24 hours a day, seven days a week.

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Customer complaints can be addressed by calling North County Communications Corporation's Customer Service Department toll-free number available 24 hours a day, seven days a week (800) 845-3986 or by writing to:

Customer Service Department
North County Communications Corporation
3802 Rosecrans, Suite 485
San Diego, CA 92110

Customer Service support will also be available on a full-time basis, 24 hours a day, seven days a week by calling (800) 845-3986.

Customers will be notified that they may contact the Illinois Commerce Commission for Assistance and will work with the particular customer and the Illinois Commerce Commission to resolve any and all customer complaints.

36. WILL THE COMPANY FILE TARIFFS FOR ALL SERVICES AND CHARGES ASSOCIATED WITH PROVIDING LOCAL EXCHANGE TELEPHONE SERVICE?

North County Communications Corporation's proposed tariff, containing its proposed rates, terms and conditions of service, is attached hereto as Exhibit 6. North County Communications Corporation believes that the rates, terms and conditions of service contained in the proposed tariff are competitive and reasonable. Upon approval of North County Communications Corporation's Application, North County Communications Corporation will submit its Local Exchange tariff to the Illinois Commerce Commission for approval and filing.

37. HOW DOES YOUR COMPANY PLAN TO SOLICIT CUSTOMERS ONCE IT BEGINS TO PROVIDE LOCAL EXCHANGE SERVICE?

Applicant intends to market its local exchange services to its target market, which consists primarily of business and residential customers, through direct marketing, direct mailings, telemarketing and, perhaps, via televised infomercials. Copies of North County Communications Corporation brochures that will be used to assist in the marketing of company services are not available, as of this date.

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38. WILL YOUR COMPANY ABIDE BY FEDERAL AND STATE SLAMMING LAWS?

North County Communications Corporation will not switch a customer's local exchange provider without first obtaining a proper Letter of Authorization ("LOA") from the customer to do so. North County Communications Corporation will immediately respond to these reports through its Customer Service Department and will work with the particular customer and the Illinois Commerce Commission ("ICC") to resolve any and all such reports of slamming.

39. HAS YOUR COMPANY WRITTEN GUIDELINES TO PREVENT THE UNAUTHORIZED SLAMMING OF LOCAL EXCHANGE CUSTOMERS?

Yes.

40. HAS YOUR COMPANY PROVIDED SERVICE UNDER ANY OTHER NAME?

No.

41. HAVE ANY COMPLAINTS OR JUDGEMENTS BEEN LEVIED AGAINST THE COMPANY? (INSTATE, OUT-OF-STATE, OR FCC).

No.

**VIII.
CROSS QUESTIONS FOR 911**

42. PLEASE PROVIDE THE NAME, ADDRESS, TELEPHONE AND FAX NUMBER OF THE 911 CONTACT PERSON FOR YOUR COMPANY.

Name: Mr. Todd Lesser
North County Communications Corporation
Address: 3802 Rosecrans, Suite 485
San Diego, CA 92110
Telephone: (619) 364-4750
Facsimile: (619) 364 4777

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43. **WILL YOUR COMPANY ENSURE THAT 911 TRAFFIC IS HANDLED IN ACCORDANCE WITH THE 83 ILLINOIS ADMINISTRATIVE CODE PART 725 AND THE EMERGENCY TELEPHONE SYSTEM ACT?**

Yes.

44. **WILL YOUR COMPANY CONTACT AND ESTABLISH A WORKING RELATIONSHIP WITH THE 911 SYSTEMS WHEN YOU BEGIN TO PROVIDE LOCAL EXCHANGE TELEPHONE SERVICE?**

Yes.

45. **WILL YOUR COMPANY COORDINATE WITH THE COMPETITIVE LOCAL EXCHANGE CARRIER(S) AND LOCAL 911 SYSTEMS TO PROVIDE TRANSPARENT SERVICE FOR YOUR LOCAL EXCHANGE CUSTOMERS?**

Yes.

46. **WHO WILL BE RESPONSIBLE FOR BUILDING AND MAINTAINING THE 911 DATABASE FOR YOUR LOCAL EXCHANGE CUSTOMERS?**

North County Communications Corporation and Illinois Bell will be responsible for building and maintaining the 911 database for North County Communications Corporation's local exchange customers pursuant to contract.

47. **HOW OFTEN WILL YOUR COMPANY UPDATE THE 911 DATABASE WITH CUSTOMER INFORMATION?**

North County Communications Corporation will update the 911 database with customer information as often as Illinois Bell does.

48. **WILL YOUR COMPANY'S BILLING SYSTEM HAVE THE ABILITY TO DISTINGUISH BETWEEN FACILITIES BASED AND RESALE FOR THE COLLECTION OF THE 911 SURCHARGE?**

Yes.

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49. DOES YOUR COMPANY HAVE PROCEDURES FOR THE TRANSITIONING OF THE 911 SURCHARGE COLLECTION AND DISBURSEMENT TO THE LOCAL 911 SYSTEM?

Yes.

50. WILL YOUR COMPANY'S PROPOSAL REQUIRE ANY NETWORK CHANGES TO ANY OF THE 911 SYSTEMS?

No.

51. WILL YOUR COMPANY BE ABLE TO MEET THE REQUIREMENTS SPECIFIED UNDER PART 725.500(O) AND 725.620(B) FOR THE INSTALLATION OF CALL BOXES?

Yes.

52. DOES YOUR COMPANY PLAN TO FILE FOR A WAIVER OF PART 725.500(O) AND 725.620(B) IN THE FUTURE?

Yes.

IX.
FINANCIAL QUESTIONS

53. WHAT CIRCUMSTANCES WARRANT A DEPARTURE FROM THE PRESCRIBED UNIFORM SYSTEM OF ACCOUNTS ("USOA")?

Use of Uniform System of Accounts ("USOA") is not statutorily mandated. No party will be injured by the granting of the waiver of Part 710. Compliance with USOA would be unnecessarily burdensome for North County Communications Corporation.

54. WILL RECORDS BE MAINTAINED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP")?

Yes. North County Communications Corporation will maintain its records with accordance to Generally Accepted Accounting Principles (GAAP).

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55. **WILL APPLICANT'S ACCOUNTING SYSTEM PROVIDE AN EQUIVALENT PORTRAYAL OF OPERATING RESULTS AND FINANCIAL CONDITION AS THE USOA?**

Yes.

56. **WILL APPLICANT'S ACCOUNTING PROCEDURES MAINTAIN OR IMPROVE UNIFORMITY IN SUBSTANTIVE RESULTS AS AMONG SIMILAR TELECOMMUNICATIONS COMPANIES?**

Yes.

57. **WILL APPLICANT MAINTAIN ITS RECORDS IN SUFFICIENT DETAIL TO FACILITATE THE CALCULATION OF ALL APPLICABLE TAXES?**

Yes.

58. **DOES THE ACCOUNTING SYSTEM CURRENTLY IN USE BY APPLICANT PROVIDE SUFFICIENTLY DETAILED DATA FOR THE PREPARATION OF ILLINOIS GROSS RECEIPTS TAX RETURNS? WHAT SPECIFIC ACCOUNTS OR SUB-ACCOUNTS PROVIDE THIS DATA?**

Yes.

59. **IF A WAIVER OF PART 710 IS GRANTED, WILL APPLICANT PROVIDE ANNUAL AUDITED STATEMENTS OR ALL PERIODS SUBSEQUENT TO GRANTING OF THE WAIVER?**

Yes.

60. **DOES APPLICANT AGREE THAT THE REQUESTED WAIVER OF PART 710 WILL NOT EXCUSE IT FROM COMPLIANCE WITH FUTURE COMMISSION RULES OR AMENDMENTS TO PART 710 OTHERWISE APPLICABLE TO THE COMPANY?**

Yes.

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X.
CONCLUSION

61. DOES THIS CONCLUDE YOUR TESTIMONY?

Yes.

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VERIFICATION

This testimony shall be verified under oath.

OATH

State of California)
)ss
County of San Diego)

Mr. Todd Lesser makes oath and says that he is President of North County Communications Corporation, that he has examined the foregoing testimony and that to the best of his knowledge, information, and belief, all statements of fact contained in said testimony are true, and that said application is a correct statement of the business and affairs of the above-named applicant in respect to each and every matter set forth therein.

Todd Lesser

Mr. Todd Lesser

Subscribed and sworn to before me, a Notary Public/

(Title of person authorized to administer oaths)

in the State and County above named, this 1th day of January, 2001.

Todd Lesser personally appeared and proved to me on the basis of satisfactory evidence to be the person herein signed.

Mary Jane Duet
(Signature of person authorized to administer oaths)



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